



# ENTERPRISE ZONE PROGRAM

## THE FACTS

The Enterprise Zone (EZ) Program is a JOBS incentive program, which creates Louisiana Income and/or Franchise Tax Job Tax Credits (JTC) to a business hiring at least 35% of their new jobs from one of four targeted groups. A business must create net new jobs. Because of the Jobs creation, Sales/Use Tax rebates may be available. EZs are areas with high unemployment, low income, or a high percentage of residents receiving public assistance. The Board of Commerce and Industry (Board) is responsible for approving the EZ applications. The Louisiana Economic Development (LED), Business Incentives Division (BI) administers this Program.

An ADVANCE NOTIFICATION Form and a \$100 fee must be received by BI **PRIOR** to starting project/construction, receiving purchases, installing equipment, or hiring. Any activity prior to the receipt of the Advance Notification by BI is not eligible for this Program.

The Board has adopted rules prohibiting any business with gaming on the EZ site from being eligible to participate in the EZ Program.

### ELIGIBILITY

- A. Businesses engaged in gaming, residential development, or churches are **not eligible**.
- B. Must create a minimum number of permanent net new jobs at the EZ site. These jobs must be created from Project/Construction Start Date. Either:  
Increase your current statewide workforce must by 10% (minimum of 1) within the first 12 months  
**OR**  
Create a minimum of 5 net new jobs within the first 24 months.
- C. To create JTC:
  - 1. Jobs must be filled with a Louisiana resident, someone living in LA at least 30 consecutive days prior to being hired. Please provide a copy of their Louisiana Drivers License.
  - 2. 35% of net new jobs must meet at least **one** of the four Certification Requirements (Requirements).

### BENEFITS

- A. TAX CREDITS
  - 1. A one time \$2,500 JTC is generated for each certified net new job created. A business with NAICS for aerospace or an automobile parts manufacturer may qualify for a one time \$5,000 JTC.
  - 2. JTC are used to satisfy Louisiana Income and/or Franchise Tax liabilities. LLC and Subchapter S corporations may pass the JTC to the owners listed on the EZ contract. The credits may be carried forward up to 10 years from the year the JTC were earned.
- B. SALES/USE TAX REBATE
  - 1. Louisiana Sales/Use Tax Rebates are paid on materials, furniture, fixtures, machinery and equipment purchased and used exclusively on the EZ site. These items must be delivered during the Project/Construction Period. The Rebate period can not to exceed 24 months.
  - 2. Must have a local governing authority Endorsement Resolution dated prior to the Board approval of the application. Sales/use tax dedicated to schools or bond indebtedness are not eligible for rebates.

## APPLICATION PROCEDURES

- A. Advance Notification Form and \$100 fee filed with the BI PRIOR to Project/Construction Start Date. Advance Notifications may be filed on line or forms may be found at [www.led.louisiana.gov](http://www.led.louisiana.gov)
- B. Application Form and fee must be filed within 90 days after the completion of Project/Construction. The Application Fee is a minimum of \$200 and maximum of \$5,000.
- C. Provide a copy Louisiana Department of Revenue Sales/Use Tax Certificate with this project address.
- D. After the Board approval, a 60 month contract is entered into between the Board and the applicant. The Effective Date of your contract is the Start Date reported on the approved Application.
- E. An Inspection/Audit Affidavit Form must be submitted with a \$100 fee, within six months after completion of project or returned with the signed original contract, whichever is later.

### JOB CERTIFICATION - 35% of all jobs generating JTC must meet one of the following:

#### A. Residency

- 1. If the contract holder is located in an **Urban parish** (1990 population over 75,000), the employee must live in an EZ in the parish the company is located.

#### **OR**

- 2. If the contract holder is located in a **Rural parish** (1990 population 75,000 or less), **and located in an EZ**, the employee may live anywhere in the parish the company is located.

#### **OR**

- 3. If the contract holder is located in a **Rural parish and not located in an EZ**, the employee must live in an EZ in the parish the company is located.

#### **OR**

- 4. If the contract holder is located in an **Economic Development Zone (EDZ)**, the employee may live anywhere in the parish the company is located.

- B. Receiving some form of public income assistance may include WIC, FITAP, using LDOL by listing your jobs and hire a LDOL referral, (employment assistance), attended a technical college within the six months prior to being hired.
- C. Lacking basic skills. A person below the 9th grade proficiency in reading, writing, or math.
- D. Physically challenged.

### FOR ADDITIONAL INFORMATION CONTACT:

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